

STATEMENT OF PURPOSE

RS23806

The purpose of this legislation is to address the immediate and long term funding issues facing Idaho. For too long, the State of Idaho has avoided increased funding maintenance for our roads and bridges. This lack of diligence has jeopardized public safety, economic growth and our ability to sustain and grow jobs. Nearly seven hundred state and local bridges in Idaho are deficient. Twenty-five percent more will become deficient in five years. Recent data suggests that for every one dollar the State of Idaho spends now, six to fourteen tax dollars will be saved later. As each year passes, the state of our roads and bridges decline further and the costs for repairs grow. Not maintaining our roads is a form of deficit spending that needs to be addressed.

The motor fuel tax will increase by five cents per gallon. Additional funds will be generated from future growth. If revenue increases by more than four percent from the previous year, four-tenths of one percent (.4%) of the total revenue collected by the State will be distributed to the highway distribution account. When the total ongoing appropriations from future growth to the highway distribution account reaches twenty million dollars on an aggregate basis, the motor fuel tax will be reduced by one cent. For every additional cumulative twenty million dollars, the motor fuel tax will be reduced by another one cent until the motor fuel tax reaches its current level.

In addition, the proposed legislation increases the transfer fee by two cents per gallon, and the electric and hybrid vehicle registration will be increased by an amount equivalent to the fuel tax increase.

FISCAL NOTE

The General Fund impact is estimated to be approximately \$12.5 million based on 2014 numbers. The proposed legislation also includes an additional increase in transportation maintenance revenue in the amount of \$69,180,451. The total amount raised for transportation maintenance under the legislation is estimated to be approximately \$81,691,011.

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